

Lykos commences drilling at the Sinjakovo Project

Highlights

- Drilling commences at the “RDK” copper-cobalt prospect, within the Sinjakovo Project in Bosnia-Herzegovina.
- An Initial **19-hole, 4,600m diamond drilling program** will follow up samples of up to **5.21% copper** and **965 g/t cobalt** from historic rock dumps, and to continue geological investigation of the project area.
- Mining activities at the historic mine ceased in the early 20th century with reported head grades of 3% copper.

Base and precious metals exploration company Lykos Metals Limited (**ASX: LYK**) (**Lykos** or the **Company**) is pleased to announce it has commenced diamond drilling at the Rastovaca – Debela Kosa (“RDK”) copper-cobalt prospect, part of the Company’s 100%-owned Sinjakovo Project in Bosnia-Herzegovina.

Phase 1 drilling program consists of 19 diamond holes at 200-metre centres for a total of 4,600 metres and will target copper mineralisation along the interpreted strike of the lithology which hosts the copper mineralisation at the historic mining area.


RDK Prospect

The RDK Prospect comprises the historic copper mine, a 15-16kt waste rock dump (historically estimated to contain approximately 3% copper and 35% iron), and a ~3km strike length of favourable siderite-ankerite rock unit that is interpreted to host copper-iron mineralisation.


The copper mine was operational from 1894 until 1910 where reported grades of 3-25% copper ore was extracted from underground tunnels, with the mining operation having ceased once head grades dropped below 3% copper as, at the time, material grading less than 3% copper was considered waste and used to backfill tunnels or stockpiled at the portal.

Samples taken in 2021 from the waste dump returned grades of up to **5.21% copper** and **965 g/t cobalt**, as reported in the Lykos Prospectus of September 2021.


The geology of the prospect consists of younger Triassic limestone and older Carboniferous schists with ankerite-siderite interbeds. Historical geological reports describe the mineralisation as chalcopyrite layers 2-6.5m thick associated with the ankerite-siderite interbeds. These favourable rock units are concordant and gently dipping, mapped on surface for 2km strike length north and 1 km south of the historic mine. The quartz-porphry intrusives found 1km east of the mine are interpreted to be a potential source of the stratabound copper-cobalt mineralisation.

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Figure 1: Drilling rig at the RDK prospect, May 2022

RDK Drilling Plan

Drilling will test two target planes – the primary upper target plane and a deeper hypothetical target plane – which requires deeper drilling past the primary target. Actual end depth of drilling will be subject to observations from ongoing drilling, individual geology in each drill hole and targeting from 3D modelling that is being developed simultaneously.

Drilling is designed to intersect the host lithology at high angle (80-90°) at a projected depth range of 30-210m in vicinity of the historic mine (down-dip, up-dip and lateral from the historic mine), 30-290m north of the mine and 120-140m in the zone south-east of the mine. This relatively shallow depth of mineralisation will enable fast drill-testing and a relatively inexpensive overall drilling program.

Drillhole SIDD001 has commenced and will test the down-dip extension of the host rock unit to the south of the historic mine where waste dump sampling in 2021 returned grades of up to 5.21% copper and 965g/t cobalt.

Eight diamond holes (including SIDD001) will test the interpreted host lithology near the historic mining area, eight holes will test the northern extent and three will test the south-east extension of the host lithology.

Phase 1 is scheduled to take up to five months to complete with one drilling rig and results will inform Phase 2 drilling which will seek to aggressively test the resource potential at the prospect. Depending upon outcomes the Phase 1 program may, however, be accelerated through the deployment of a second rig to the programme.

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Table 1: Phase 1 drilling program details

Proposed Drillhole	Easting	Northing	Elevation	Azimuth	Dip	Target Depth	End of Hole
PR_B01	6428853	4912609	1026	0	-80	60	150
PR_B02	6429167	4912536	998	0	-80	30	100
PR_B03	6429070	4912371	1027	85	-80	90	190
PR_B04	6429016	4912378	1031	0	-80	90	190
PR_B05	6428956	4912323	1049	345	-80	120	240
PR_B06	6428801	4912328	1066	0	-80	140	270
PR_B07	6428682	4912378	1074	0	-80	140	250
PR_B08	6428565	4912393	1080	0	-80	210	310
PR_B09	6428357	4912427	1106	0	-80	290	430
PR_B10	6428077	4912597	1111	90	-75	260	390
PR_B11	6428373	4913573	939	90	-75	120	200
PR_B12	6428290	4913382	989	90	-75	130	210
PR_B13	6428205	4913196	1049	90	-75	190	270
PR_B14	6428118	4913013	1063	90	-75	190	270
PR_B15	6428502	4913742	881	90	-75	30	80
PR_B16	6428057	4912821	1070	90	-75	180	280
PR_B17	6429183	4912224	1032	0	-80	120	230
PR_B18	6429272	4912063	1024	0	-80	130	270
PR_B19	6429395	4911917	1019	0	-80	140	300


The actual hole names will be catalogued in the format SIDD### and numbered in sequence of drilling. The drilling sequence may be different to the one presented in this announcement.

Lykos Metals Managing Director Mladen Stevanovic said:

“We are delighted to commence drilling at the Sinjakovo Project, with drill hole SIDD001 being the first exploration drilling in the project area in modern times.

“We are drill-testing for high-grade copper and cobalt mineralisation potential at RDK prospect. Through our systematic and targeted drilling programs, the exploration team will grow our knowledge of the area over the coming months, and this will inform the follow-up, Phase 2 program.


“We are continuing with our systematic exploration programs at all three of our projects, where we expect to define many more compelling exploration targets for future drilling.”

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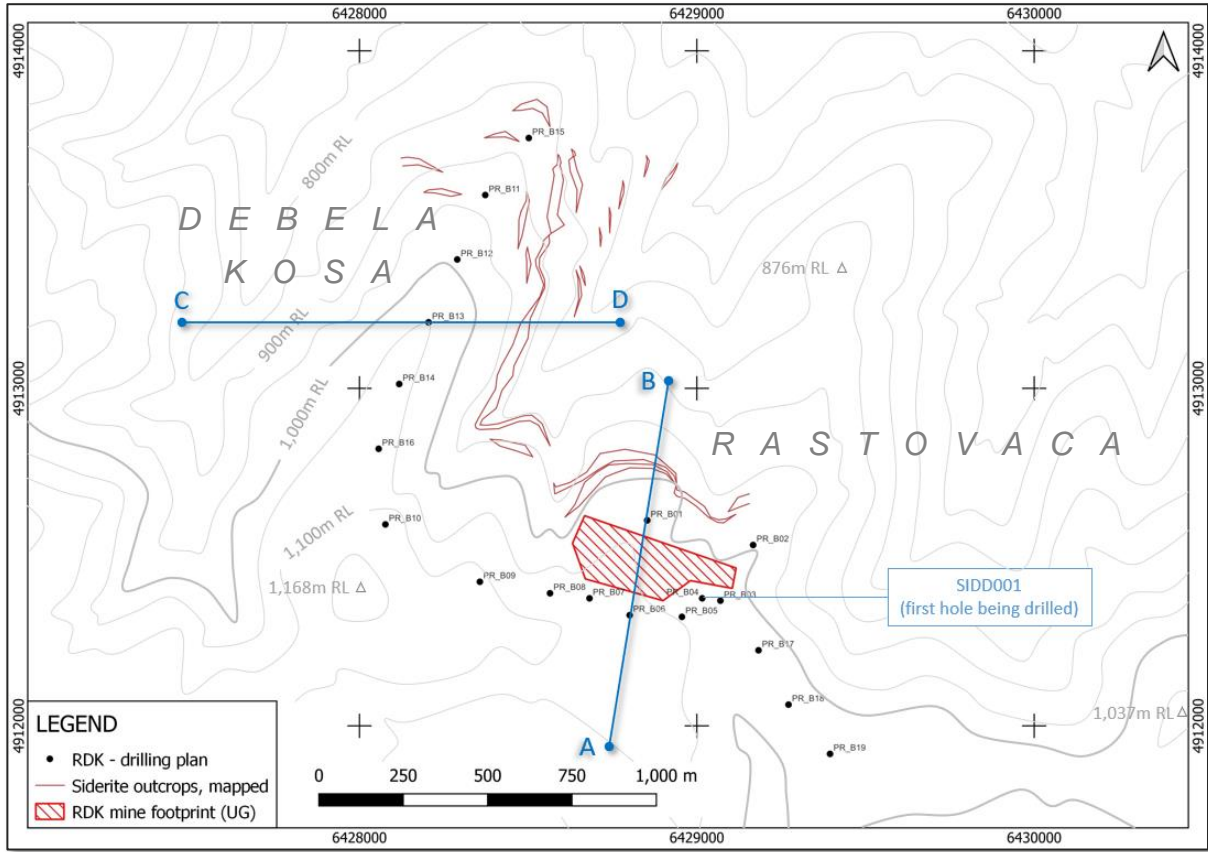


Figure 2: RDK prospect: plan view showing topography map with noted cross-section lines

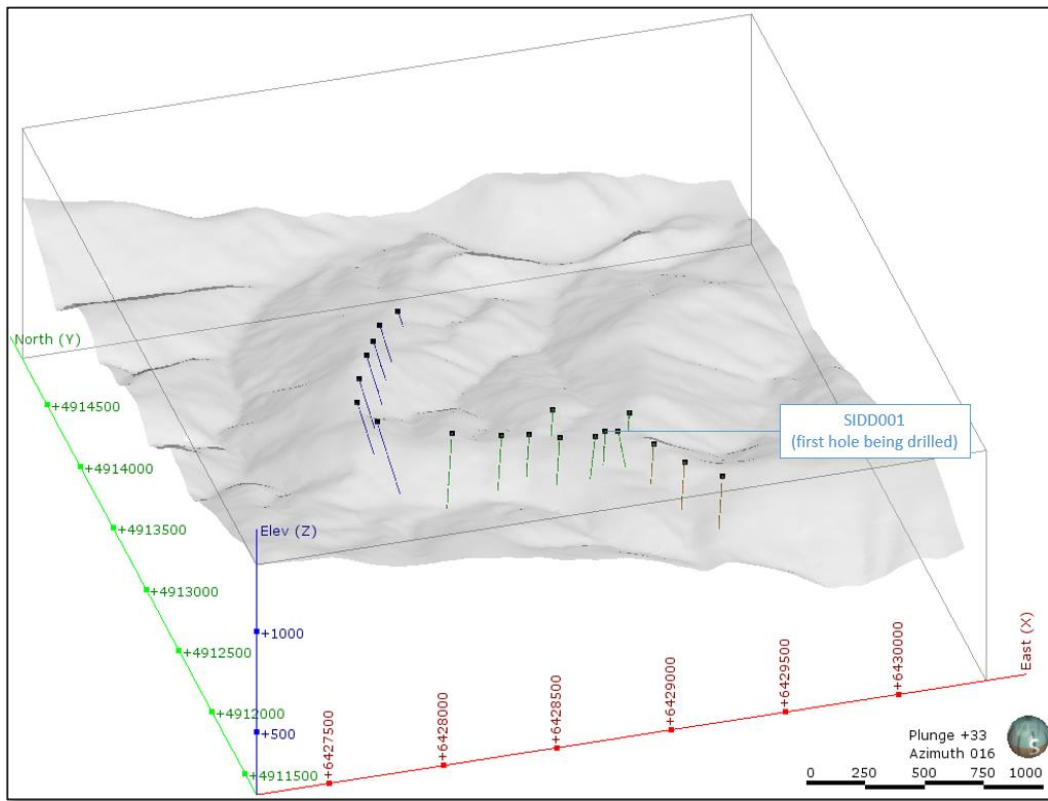


Figure 3: RDK prospect: oblique 3D view showing planned drillholes

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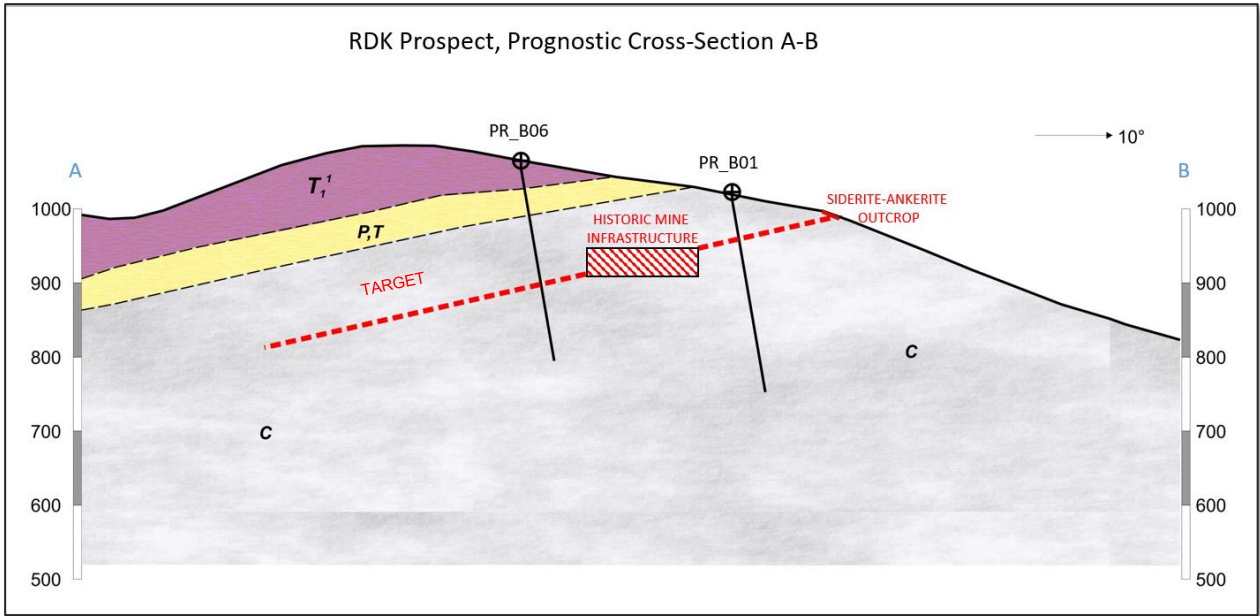


Figure 4: RDK prospect (Rastovaca locality) cross-section A-B showing planned drill holes

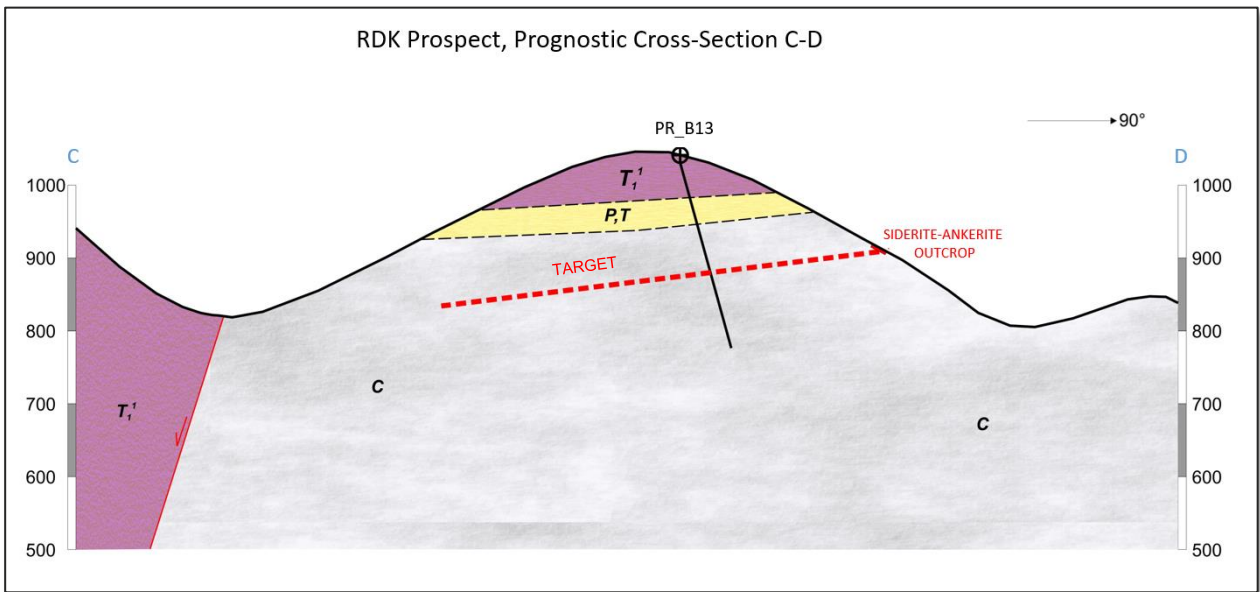


Figure 5: RDK prospect (Debela Kosa locality) cross-section C-D showing planned drill holes

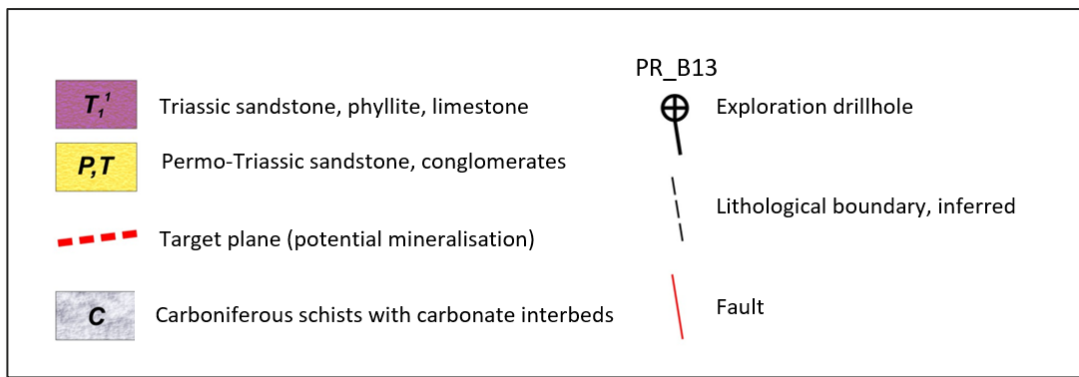


Figure 6: Legend of simplified geology

This announcement has been authorised for release by the Board of Lykos Metals Limited.

Mladen Stevanovic

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About Lykos Metals Limited

Lykos Metals Limited (ASX: LYK) is a Perth-based exploration company with projects in the underexplored Tethyan metallogenic belt in Bosnia and Herzegovina that are highly prospective for battery and precious metals.

Lykos' Sinjakovo project is prospective for copper, cobalt, gold and silver; the Cajnice Project is prospective for copper, gold, silver and zinc; and the Sockovac project is prospective for nickel, cobalt, copper, gold and silver.

Lykos is committed to delivering significant and sustainable shareholder value through advancing its three base and precious metals projects. The Company's projects are located near existing core infrastructure and transport routes to Europe's battery manufacturing supply chain.


For more information about our Company, please visit www.lykosmetals.com.

Competent Persons Statement


The information in this announcement that relates to Exploration Results is based on information compiled and conclusions derived by Mr Mladen Stevanovic, a Competent Person who is a member of the AusIMM (membership number 333579). Mr Stevanovic is a full-time employee of the Company. Mr Stevanovic has sufficient experience that is relevant to the technical assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Stevanovic consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This announcement contains forward-looking statements which involve several risks and/or uncertainties. These forward-looking statements are expressed in good faith and are believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks and/or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and/or strategies described in this announcement. No obligation is assumed to update forward-looking statements if these beliefs, opinions and/or estimates should change and/or to reflect.

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